

73-10-23 Loans for water systems -- Board of Water Resources authority -- Procedure.

- (1) The Board of Water Resources is authorized to make loans to cities, towns, metropolitan water districts, water conservancy districts, improvement districts, special improvement districts, or special service districts within the state for the acquisition or construction of new or existing water systems or the improvement or extension of those systems from funds appropriated for the purpose of this chapter.
- (2)
 - (a) Cities, towns, or districts which participate in this program shall submit an application for funds to the Board of Water Resources.
 - (b) The application may request a loan to cover all or part of the cost of an eligible project.
 - (c) Requests for loans shall be submitted in a form and shall include information as the board prescribes.
- (3)
 - (a) The board shall establish criteria for determining eligibility for loans and shall determine appropriate priorities among projects.
 - (b) Funds received from the repayment of loans shall be added to this special fund and be available for additional loans under the administration of the board.
 - (c) In determining priorities for eligible projects, the board shall consider:
 - (i) probable growth of population due to actual or prospective economic development in an area;
 - (ii) possible additional sources of state and local revenue;
 - (iii) opportunities for expanded employment;
 - (iv) present or potential health hazards;
 - (v) water systems which do not meet minimum state standards;
 - (vi) cities, towns, or districts which have insufficient water to meet current demands;
 - (vii) feasibility and practicality of the project;
 - (viii) per capita cost of the project;
 - (ix) per capita income of the residents in the area;
 - (x) the borrowing capacity of the city, town, or district and its ability to sell bonds in the open market; and
 - (xi) the availability of federal funds for the project.
- (4)
 - (a) The board shall consult with the Governor's Advisory Council on Community Affairs in the establishment of priorities but that advice is not binding upon the board.
 - (b) If an application is rejected, the board shall notify the applicant stating the reasons for the rejection.
- (5) The Board of Water Resources shall review the plans and specifications for the project prior to approval and may condition approval and the availability of funds on assurances the board considers necessary to ensure that the proceeds of the loan will be used to pay the cost of the project and that the project will be completed.
- (6) Any loan shall specify the terms for repayment and may be evidenced by general obligation bonds, revenue bonds, special assessment bonds, or other bonds or obligations legally issued by the appropriate city, town, metropolitan water district, water conservancy district, improvement district, special improvement district, or special service district and purchased by the board pursuant to the authority for the issuance that exists at the time of the loan.
- (7)
 - (a) Upon approval of an application, the board shall advise the applicant and may provide funds as a loan to cover all or part of the costs of eligible projects.

- (b) Costs of an eligible project may include all costs of acquisition and construction as well as costs incurred for preliminary planning to determine the economic and engineering feasibility of a proposed project, the engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action necessary to the project and its financing; the cost of erection, building, acquisition, modification, improvement, or extension of water system facilities and the inspection and supervision of the construction of such facilities.
- (8) No loan shall include any project costs for which the applicant receives federal financial assistance, other than federal loans which must be repaid by the applicant.

Amended by Chapter 306, 2007 General Session